



## Risk Management Procedure

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Macedon Ranges Shire Council acknowledges the Dja Dja Wurrung, Taungurung and Wurundjeri Woi Wurrung Peoples as the Traditional Owners and Custodians of this land and waterways. Council recognises their living cultures and ongoing connection to Country and pays respect to their Elders past, present and emerging. Council also acknowledges local Aboriginal and/or Torres Strait Islander residents of Macedon Ranges for their ongoing contribution to the diverse culture of our community.

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## Purpose

The Risk Management Procedure is part of the Risk Management Framework, and:

- Provides a standardised, formal and structured process for assessment, treatment and monitoring of identified risks;
- Ensures that all risks outside the defined risk tolerances are escalated to the relevant manager and additional treatment options implemented;
- Ensures that (standard) reporting protocols are established for information dissemination across Council.

## Risk Management Procedure

The Macedon Ranges Shire Council risk management process involves seven key steps, aligned to the Australian Standard for Risk Management (ASISO31000:2018), that can be applied across all levels of risk.

The risk management process is an integral part of management decision making and is integrated into Council's structure, operations and processes. The dynamic and variable nature of human behaviour and culture should be considered throughout the risk management process.

Although the risk management process is often presented as sequential, in practice it is iterative. That means that each of the seven steps may be undertaken multiple times during a risk cycle, as risks are better understood and their management is embedded and enhanced.

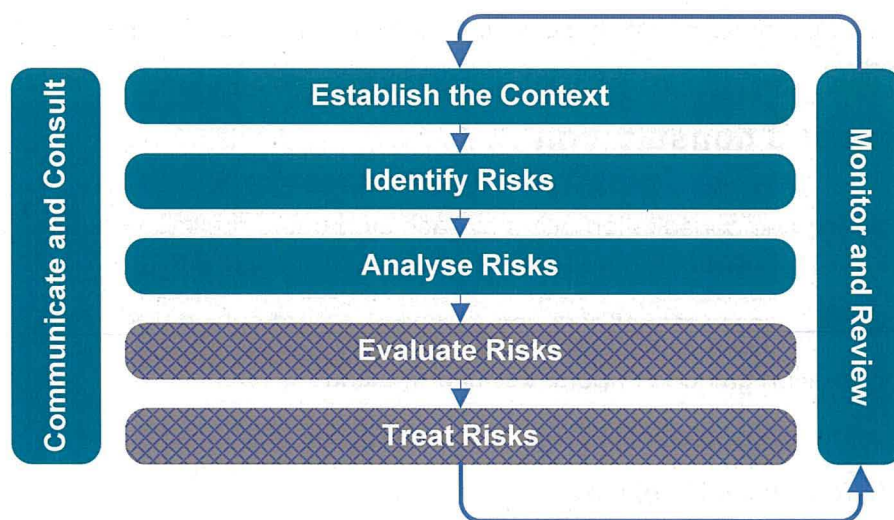


Figure 1. Risk management process: adapted from Australian Standard for Risk Management (AS ISO 31000:2018)

Council has defined risk management at three levels:

- Level 1 – Strategic risks linked to the Council plan: are captured and managed in Council's strategic risk register. These risks have oversight by the Audit and Risk Committee, and the Executive Leadership Team.

- Level 2 – Operational risks linked to operational objectives: are captured and managed in Council’s operational risk register. These risks have oversight by Council’s Executive Leadership team, the Audit and Risk Committee and Council’s Risk Management Committee.
- Level 3 – Unit/Plan/Project risks linked to departments, plans and projects: are captured and maintained in a risk register and managed locally by the Unit/Plan/Project. These risks are managed by the relevant departmental/unit Manager, sponsor or project governance/implementation committee.

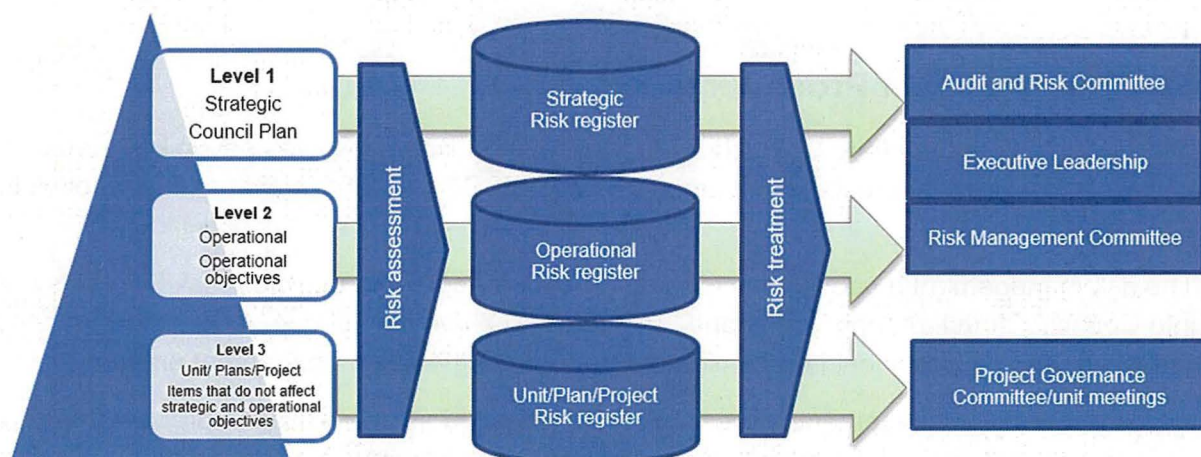


Figure 2. Managing risk at three levels, Macedon Ranges Shire Council

At all stages of the risk management process, it is a requirement to document each step in the relevant risk register.

## Communication and consultation

Effective communication and consultation occur at each step of the risk management process and supports it by:

- Ensuring that all necessary expertise and perspectives are considered
- Ensuring information gained supports decision-making
- Providing greater oversight of risks
- Fostering shared ownership of risks

To support communication of risks see the Communications Plan available on Council’s intranet under ‘Consultation and Engagement’ (<https://www.mrsc.vic.gov.au/workplace/How-to/Communicate-consult/Consultation-and-engagement>) . This tool supports identifying the most appropriate vehicle available to Council to communicate risks.

To support effective risk identification, control, management and reporting, it is recommended that Risk Owners work with their teams and stakeholders to consult broadly. Council’s risk team also provide facilitated risk management sessions to support this process.

A Risk Stakeholder Template is available on Council’s intranet under ‘Managing corporate risk’ (<https://www.mrsc.vic.gov.au/workplace/Working-here/Managing-risk/Managing-corporate-risk>), an example is also provided in Appendix 2. This tool supports staff to identify and map out stakeholders who need to be part of the risk management process.

### Establishing the context, scope and criteria

It is important to understand the internal and external factors that may influence the ability to achieve objectives. Identifying sources of uncertainty help to develop a more nuanced understanding of risk events and what they mean for Council's objectives.

The below image depicts the levels of risk and how the internal and external context can be applied.

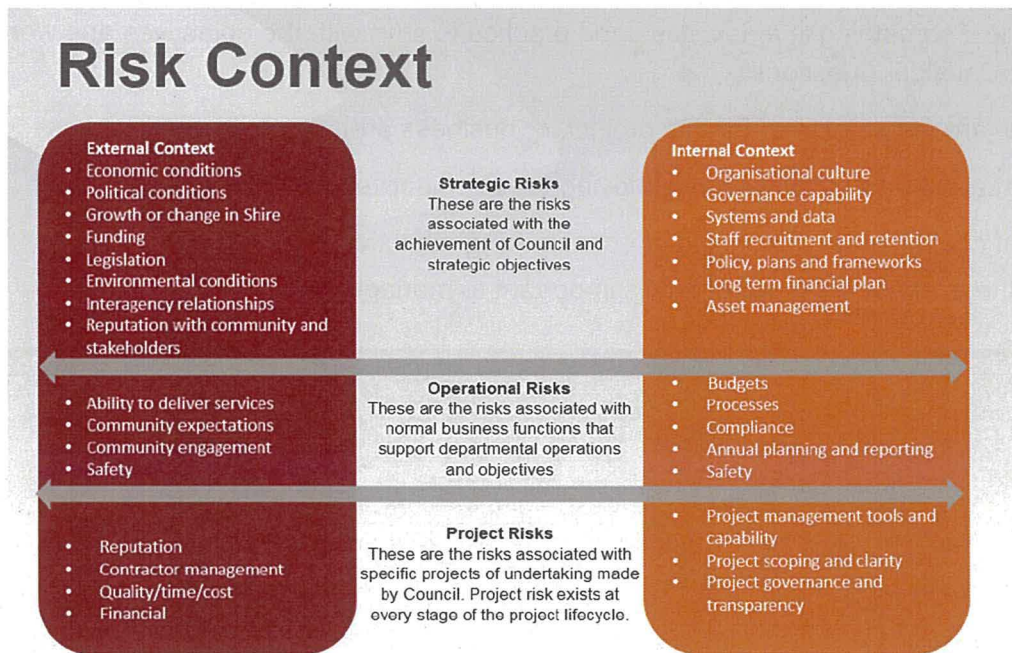


Figure 3. Macedon Ranges Shire Council risk context

**PESTLE** and **PPRACKIF** tools support the scanning of the internal and external environment and aid in the identification of risks associated with objectives. (See Appendix 3. for PESTLE and Appendix 4. PPRACKIF Tool.) Templates are also available on Council’s intranet under ‘Managing corporate risk’ (<https://www.mrsc.vic.gov.au/workplace/Working-here/Managing-risk/Managing-corporate-risk>).

### Identifying Risks

Risk is the effect of uncertainty against objectives. An “effect”, in the context of risk is what happens when something departs from what is expected in normal circumstances. An effect can be positive, negative or both, and can address, create or result in opportunities and threats. Risks are involved in almost everything that we do.

**NOTE: Risks are not:**

- **Issues** – A current problem or concern influencing objectives.
- **Incidents** – An event or circumstance which could have, or did lead to, unintended and/or unnecessary harm to a person and/or a complain, loss or damage
- **Hazards** – Anything that has the potential to harm people or property. A risk arises when it is possible that a hazard will **actually** cause harm.

Council has many objectives, and we classify these in three levels (1 Strategic, 2 Operational and 3 Project/Unit level).

To determine if something is a risk, it is good practice to start with the objectives and work backwards. Consider questions:

- What are my objectives for this project, or business area etc.?
- What are the uncertainties in achieving these objectives?
- What could happen that could affect achieving objectives?

Identifying the event at the heart of risk is important to managing to risk.

**Example:**

Council is running an event for the community:

- **Objective:** Providing a safe environment for the community to attend fundraising event.
- **Uncertainties:** Poor weather, poor attendance, poor promotion
- **Risks involved:**
  - Risk of serious harm to public
  - Risk of poor attendance

**Tip** - When considering the risk event, always consider the worst possible scenario – it is best to plan for the worst and be pleased that the risk does not eventuate.

Risk identification may occur through some of the following mechanisms, but not excluding other means:

- Risk assessments
- Actively tracking emerging trends
- Internal and external audits
- Community feedback
- Strategic and business planning
- New projects
- Incidents, near miss and hazards
- Legal decisions and insurance claims
- Legislative change

## Opportunity Risk

Risks can also present opportunities and are referred to as opportunity risks. These are defined as an uncertainty that if it occurs would have a positive effect on the achieving objectives.

### Example:

- Implementing new technology that will save Council time and create efficiencies.
- Applying for a grant to support the local community.

## Analyse Risks

Risk analysis helps to understand:

- What are the causes of the risk event
- What would be the consequences if the risk event occurred

Documenting risks in the appropriate register (templates available on the intranet under 'Managing corporate risk' (<https://www.mrsc.vic.gov.au/workplace/Working-here/Managing-risk/Managing-corporate-risk> See Appendix 5 as an example) or in the operational or strategic risk register if appropriate) requires the identification of the following elements:

- **Event:** risk of <event>
- **Cause:** caused by <reason/triggers>
- **Impact:** resulting in <impacts/consequences>

The 'bow tie technique' shown below, helps to demonstrate that events have many causes and consequences, which could also be 'events'.

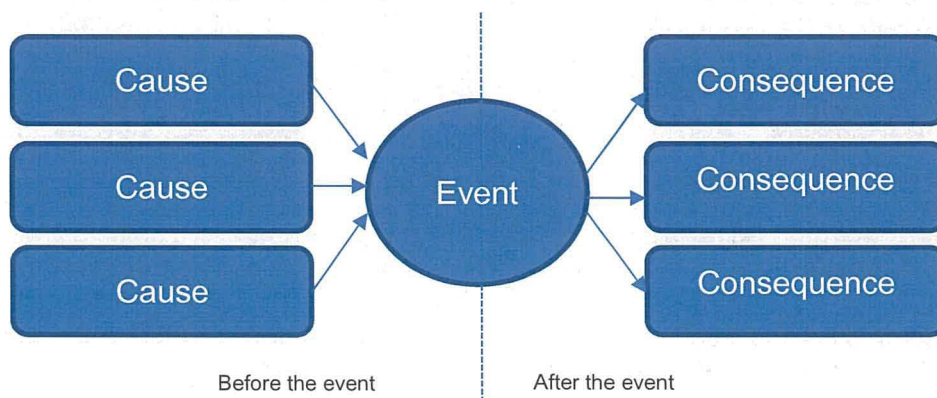


Figure 4. Risk description process, adapted from the 'bow tie technique', Victorian Managed Insurance Agency (VMIA)

**Example:** Risk of serious harm to public

Causes

- Bad weather
- Electrical cords in use
- Traffic within the vicinity

Consequences

- Reputational damage
- Potential law suits
- Insurance claims

When documenting the risk in the relevant register, consider all the causes of the risk and the consequences. This process supports identifying controls that are in place of actions/treatments that reduce the likelihood or consequences of the risk eventuating.

### Controls

The next part of the risk management process is to identify any current controls. A control is a measure that maintains and / or modifies risk. Controls include, but are not limited to, any process, policy, device, practice, or other conditions and / or actions which maintain and / or modify risk.

Identifying and documenting controls is an important part of analysing risks. It helps to understand what the true likelihood and consequences are, and if further treatments should be put in place to manage or reduce the risk.

**Tip** – refer to the risk description and see whether you have any controls that relate to the causes.

**Example:** Risk of serious harm to public

Controls

- Risk assessments
- Traffic management plan
- Insurance for the event

Each control needs to be assessed on its own performance and documented in the appropriate register. Using the Control Effectiveness table in Appendix 1, identify the most appropriate control effectiveness rating. When identifying actions/treatments it is good to refer to the controls that are not effective as this presents an opportunity for improvement.



## Likelihood rating

The next step is to consider the likelihood of the event occurring. The likelihood is the chance that something will happen in a given period, in a given place. It is important in determining the overall risk rating of the risk.

When considering the likelihood, it is important to consider the current controls and their effectiveness to give a true indication of the likelihood. Using the Likelihood rating table in Appendix 1, identify the most appropriate rating.

**Example:** Risk of serious harm to public

Likelihood rating: Unlikely

Justification: Strong and effective controls in place which reduce likelihood of risk eventuating.

## Climate change relationship

The next part of the process is to consider climate change against the risk, this is a prompt to consider whether climate change effects risk events or changes the impact or likelihood of the risk. Any items identified during this process are listed to be documented in the risk register as a cause or control. Using the Climate change relationship table in Appendix 1, identify any climate change relationships that exist.

## Risk category

Risk events naturally fall into categories due to their nature. Using the below Risk category table in Appendix 1, consider the most appropriate category of risk. Only one category can be selected per risk, so select the best fit.

**Tip:** when considering the category only think about the event, not the consequences.

**Risk Name:** Road infrastructure

**Example:** Risk of serious harm to public

Risk category: Asset management

Why? Because the risk pertains to the asset.

## Consequence descriptions

The next step is to determine the consequence if the risk were to eventuate. This step is an important part of determining the overall risk rating. Using the Consequence description table in Appendix 1, consider the risk category that is most relevant and determine the consequence rating (Extreme, High, Moderate, Low or Negligible).

**Tip:** While each risk has a specific Risk Category, the consequence rating must be related to the most obvious consequence, which may not necessarily align to the category.

**Example:** Risk of serious harm to public

Consequence rating: High

Why? Because the risk the consequence to Council is within the High description.

### **Risk matrix**

The next step is to establish the overall current risk rating. To do this apply the likelihood rating and consequence rating to the Risk matrix in Appendix 1 to provide the overall risk rating, which will inform the level of risk.

**Example:** Risk of serious harm to public

With a likelihood rating of 'Unlikely' and a 'High' consequence rating, the risk rating is a Moderate risk, according to the risk matrix

## **Evaluating risks**

Evaluating a risk means deciding, based on the risk rating, how to best manage the risk. This should include consideration of the risk appetite (how much Council is willing to take on to reach its objectives), tolerances (how much variation from the risk appetite Council will accept), and potential treatments (the things being done to manage risks to maintain an acceptable risk level, or reach the target risk rating).

### **Risk escalation**

The first step of evaluating risks is to follow escalation process. Using the Risk escalation tool in Appendix 1, follow the most appropriate course of action to raise awareness of the risk.

### **Risk action**

Consider the actions that are required to address the risk based on the risk rating using the Risk action table in Appendix 1.

### **Target risk rating**

The next step is to consider the target risk rating. The target risk rating is the desired state that Council can achieve. Some risks due to their nature may never reach a 'low' risk rating, however some risks can achieve a lower rating and present a goal to work towards. Using the Risk matrix in Appendix 1, determine the desired risk rating and document this in the risk register.

The target risk rating should be influenced by the Risk Appetite Statement.

### **Risk appetite statement**

The next step is to consider whether Council has an appetite to pursue the risk in question. A risk appetite statement is a statement developed by Council to guide staff in decision making. The

statement is a clear directive from Council to the level of risk that Council is willing to pursue to achieve objectives. Using the pre-determined risk category determine the level of appetite Council has to pursue risk using the Risk Appetite Statement. See Risk Appetite Statement document.

**Example:** Risk of serious harm to public: Moderate risk.

Required escalation to the Manager and/or project manager within one week.

Reasonable steps must be taken to mitigate the risk.

## Risk treatment

The next step is to determine the risk treatment options. Using the Risk treatment table in Appendix 1 consider the course of action.

### Actions/treatment

Risk treatments/actions are steps or future controls that can be undertaken to reduce the overall risk rating and include, but are not limited to, any process, policy, device, practice, or other conditions and / or actions which maintain and / or modify risk. This step supports the continuous improvement across Council.

Actions/treatments are to be allocated to staff members along with expected dates for actions to be completed. It is important to share the actions with the staff that have been assigned so that they are aware of their obligations.

**Example:** Risk of serious harm to public: Moderate risk.

Actions:

- Source extra signs
- Conduct site assessment one day before the event

### Closing risks

For risks to be removed from the Strategic and Operational risk registers, it must meet two or more of the following criteria:

- Have a risk rating of Minor or Negligible
- Have all action/treatment items listed as completed
- Have all controls listed as Effective or Mostly Effective

Authority to close risks is listed in section 'Monitoring and reviewing risks'.

## Monitoring and reviewing risks

Risk Owners are responsible for monitoring and reviewing risks, and are required to review risks based on their risk rating, updating the controls, their effectiveness ratings, and monitor progress of actions/treatments. The below table provides an overview of the frequency of review and reporting frequency, which is based on the current risk rating.

Risk rating	Type of risk	Authorised to OPEN risk	Authorised to CLOSE risk	Frequency of risk reviews	Reporting frequency
Extreme	Strategic	CEO	CEO	Every month	Risk Management Committee – Quarterly Audit and Risk Committee – Quarterly Executive Leadership Team – Monthly
	Operational	Manager	Director		
	Unit/Plan/ Project	Officer	Manager		
High	Strategic	CEO	CEO	Every two months	Risk Management Committee – Quarterly Audit and Risk Committee – Quarterly Executive Leadership Team – Monthly
	Operational	Manager	Director		
	Unit/Plan/ Project	Officer	Manager		
Moderate	Strategic	CEO	CEO	Every six months	Risk Management Committee – Quarterly Audit and Risk Committee – Quarterly Executive Leadership Team – Six Monthly
	Operational	Manager	Director		
	Unit/Plan/ Project	Officer	Manager		
Low/Negligible	Strategic	CEO	CEO	Every 12 months	Risk Management Committee - Quarterly Executive Leadership Team – Annually
	Operational	Manager	Director		
	Unit/Plan/ Project	Officer	Manager		

## Definitions

Term	Definition
Audit and Risk Committee	<p>The Audit and Risk Committee (the Committee) is a committee established by Council in accordance with section 53 and 54 of the Local Government Act 2020 (LGA).</p> <p>The Committee is not a delegated committee of Council and does not have executive powers nor authority to implement actions in areas over which Council management (management) has responsibility, nor any delegated financial responsibility. The Committee does not have any management functions and is therefore independent of management. The Audit and Risk Committee Charter outlines the responsibilities and functions of the Committee.</p>
Consequence	<p>Outcome of an event.</p> <p>A consequence can be certain or uncertain and can have positive or negative or direct or indirect effects on objectives.</p>
Control	<p>Measure that maintains and / or modifies risk.</p> <p>Controls include, but are not limited to, any process, policy, device, practice, or other conditions and / or actions which maintain and / or modify risk.</p>
Event	<p>Occurrence or change of a particular set of circumstances.</p> <p>An event can have one or more occurrences and can have several causes and several consequences.</p>
Executive Leadership Team (ELT)	<p>A management team that comprises the Chief Executive Officer and Directors.</p>
Likelihood	<p>Chance of something happening.</p> <p>In risk management, 'likelihood' is used to refer to the change of something happening, whether defined, measure or determined objectively or subjectively, qualitatively or quantitatively, and described using general terms or mathematically.</p>
Opportunity Risk	<p>An opportunity risk is defined as an uncertainty that if it occurs would have a positive effect on achievement of objectives.</p>
Risk	<p>Effect of uncertainty on objectives.</p> <p>An effect is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats. Objectives can have different aspects and categories and be applied at different levels.</p>
Risk Assessment	<p>The overall process of risk identification, risk analysis and risk evaluation.</p>
Risk Analysis	<p>Process to understand the nature of the risk and to determine the level of risk.</p>
Risk Appetite	<p>The types and amounts of risk that an organisation is willing to accept in the pursuit of its strategic and business objectives.</p>
Risk Criteria	<p>Terms of reference against which the significance of risk is evaluated. Based on organisational objectives and internal and external contexts. Risk criteria can be derived from standards, laws, policies and other requirements.</p>
Risk Culture	<p>Refers to the system of beliefs, values and behaviours throughout an organisation that shapes the collective approach to managing risk and making decisions. A positive risk culture is one where every person in the agency believes that thinking about and managing risk is part of their job.</p>

<b>Term</b>	<b>Definition</b>
Risk Management	Coordinated activities to direct and control an organisations decisions about risk.
Risk Management Framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Risk Management Policy	Statement of overall intentions and direction of an organisation related to risk management
Risk Maturity	The benchmarking of an agency's risk management framework relative to leading practice
Risk Owner	Person or unit with the accountability and authority to manage risk.
Risk Profile	Is a description of any set of risks. The set of risks can contain those that relate to the whole organisation or part of the organisation
Risk Register	Record of information about identified risks.
Risk Source	Element which alone or in combination has potential to give risk to risk.
Risk Tolerance	The organisations readiness to bear the risk and risk treatment in order to achieve objectives. Risk tolerances are based on the maximum level of acceptable risk and may be expressed in various ways depending on the nature of the risk.
Risk Treatment	Process to modify risk, it can involve: avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk, taking or increasing the risk in order to pursue an opportunities, and/or removing the risk source.
Senior Leadership Team (SLT)	A management team that comprises the Chief Executive Officer, Directors and Managers.
Senior Management Team (SMT)	A management team that comprises all Managers.
Stakeholder	Person or organisation that can affect or perceive themselves to be affected by a decision or activity.

## Related Policies

- > Risk Management Policy
- > Risk Management Guidelines
- > Risk Appetite Statement
- > Audit and Risk Committee Charter

## Appendix 1. Risk Criteria

### Risk categories

Risk an opportunity category	Category description
Asset management	Risks or opportunities that affect council's infrastructure assets.
Compliance & Legal	Risks or opportunities that affect our contractual obligations and legal requirements.
Financial	Risks or opportunities that can affect the financial viability of Council.
Natural environment	Risks or opportunities that affect our environment.
People	Risks or opportunities that can affect a safe work environment or affect our workforce, recruitment/retention, training and development.
Reputational	Risks or opportunities that can affect the reputation, trust levels, satisfaction or image of Council.
Service delivery	Risks or opportunities which impact on the ability to deliver services.

### Control effectiveness rating

Effectiveness rating	Description
Very Effective	Nothing more to be done.
Effective	Controls are well designed for the risk, periodically review control.
Partly effective	Controls require further work to ensure confidence. Ongoing review and improvements required.
Marginally effective	Significant gaps, requires further work to ensure confidence. Continual review and improvements required.
Not effective	Ineffective control, need for greater confidence. Continual review and improvements required.

## Likelihood rating

Scale	Description
Almost certain	Event is expected to occur imminently and in most circumstances.
Likely	It is reasonably likely the risk will eventuate, based on evidence of previous incidents and in most circumstances.
Possible	It is possible that the event may occur, at some time under specific circumstances.
Unlikely	It is reasonably unlikely that the event will occur, no evidence of previous incidents.
Rare	It is likely to occur in exceptional circumstances.

## Risk and escalation

Risk Level	Strategic and Operational risks	Project risks	Timeframe
Extreme	Chief Executive Officer	Executive sponsor	Immediate
High	Executive Director	Executive sponsor	Within one day
Moderate	Executive Director and Manager	Project team/Manager	Within one week
Minor/Negligible	Manager	Project team/Manager	Within one month

## Risk action

Risk Level	Action	Details
Extreme	Act immediately to mitigate the risk. Eliminate, substitute, or implement control measures.	Remove the hazard at the source. An identified very high risk does not allow scope for the use of administrative controls, even in the short term.
High	Act immediately to mitigate the risk. Eliminate, substitute, or implement control measures.	An achievable timeframe must be established to ensure that elimination, substitution or controls are implemented.
Moderate	Take reasonable steps to mitigate the risk. Until elimination, substitution, or controls can be implemented, institute administrative or personal protective equipment controls. These "lower level" controls must not be considered permanent solutions.	Interim measures until permanent solutions can be implemented: <ul style="list-style-type: none"> <li>• develop administrative controls to limit the use or access</li> <li>• provide supervision and specific training related to the issue of concern.</li> </ul>
Minor / Negligible	Take reasonable steps to mitigate and monitor the risk. Institute permanent controls in the long term. Permanent controls may be administrative in nature if the hazard has low frequency, rare likelihood and insignificant consequence	



## Risk treatment

Risk treatment options	Description
Avoid risk	Avoid the risk by deciding not to start or continue with the activity that gives rise to the risk and/or remove the risk source.
Accept risk	Retain the risk after careful consideration.
Reduce risk	Reduce the likelihood and consequences.
Increase risk	Taking or increasing risk in order to pursue opportunity.
Share/transfer risk	Share the risk with another party (including contracts and financing).

## Risk consequences description

	Asset management	Compliance & Legal	Financial	Natural environment	People	Reputation	Service delivery
<b>Extreme</b>	<p>Extreme damage to one or more major infrastructure assets.</p> <p>Extreme gap in major asset provision, where there is an existing community demand.</p> <p>Extreme failure of a major asset to meet capacity or functional requirements</p>	<p>Major litigation costing \$&gt;5m;</p> <p>Investigation by regulatory body resulting in long term interruption of operations</p>	<p>Direct loss of more than \$5M</p> <p>Decrease in budget more than 20%</p>	<p>Major release of toxic waste resulting in long term damage to the environment;</p> <p>Significant damage to natural areas and ecosystem health;</p> <p>Extensive decline in support to community for living sustainably</p>	<p>One or more fatalities or significant irreversible effects and/or disability to one or more people * Notifiable</p> <p>Resignations of large numbers of key management level staff with key skills, knowledge and expertise</p>	<p>Greater than 50% of media stories are negative for a period of up to 30 days or more; Significant impact on funding for several years; long-term loss of clients; CEO departs affecting funding or causing loss of clients for many months</p>	<p>Full service or business performance disruption &gt; 1 weeks, partial disruption (months)</p>
<b>High</b>	<p>Significant damage to one major asset and/or multiple minor assets.</p> <p>Significant gap in major or minor asset provision, where there is an existing community demand.</p> <p>Significant failure of a major or minor assets to meet capacity or functional requirements.</p>	<p>Major breach of regulation with punitive fine, and significant litigation involving many weeks of senior management time and up to \$3m legal costs</p>	<p>Direct loss or opportunity cost of \$1M to \$5M</p> <p>Decrease in budget of 15% to 20%</p>	<p>Major release of toxins/water resulting in high compensation or reconstruction costs; Decline in support to community for living sustainably</p>	<p>Extensive injury or impairment to one or more persons * Notifiable</p> <p>Many resignations of key staff and loss of key skills, knowledge and expertise.</p>	<p>Greater than 50% of media stories are negative for a period of up to 30 days ; senior managers depart; noticeable loss of clients for many months</p>	<p>Full service or business performance disruption 2–7 days, sustained partial disruption (weeks)</p>

	Asset management	Compliance & Legal	Financial	Natural environment	People	Reputation	Service delivery
<b>Moderate</b>	Substantial damage to multiple minor assets.  Substantial failure of a minor asset to meet capacity or functional requirements.	Breach of regulation with investigation by authority and possible moderate fine, and litigation and legal costs up to \$999k	Direct loss or opportunity \$250K to \$1M  Decrease in budget of 5% to 15%	Significant release of pollutants; Residual pollution requiring clean-up work	Short term impairment to one or more persons * Potentially notifiable  Some turnover of key staff and loss of key skills, knowledge and expertise	20-50% of media stories are negative for a period of up to 14 days; complaint to management	Full service or business performance disruption <2 days, consistent partial disruption (weeks)
<b>Minor</b>	Minor damage to multiple minor assets.  Minor assets not suitable and/or failing to meet functional requirements.	Breach of regulations; major fine or legal costs; minor litigation	Direct loss or opportunity \$100K to \$250K  Decrease in budget of 2% to 5%	Required to inform EPA; Contained temporary pollution	Significant medical treatment; lost injury time <2 weeks  Some staff turnover with minor loss of skills, knowledge and expertise	10-20% of media stories are negative for a period of up to 7 day; complaint to employee	Part service or business performance disruption 1 day, limited partial disruption (days)
<b>Negligible</b>	Inconsequential damage. Assets functional to suit existing community demand.	Minor legal issues or breach of regulations	Direct loss or opportunity cost of less than \$100K  Decrease in budget by less than 2%.	Brief, non-hazardous temporary pollution; No environmental damage	First aid or minor medical treatment  Regular staff turnover rate.	Less than 10% of media stories are negative for a period of up to 7 days;	Intermittent part service or business performance disruption, isolated partial disruption (days/hours)

## Opportunity risk consequence descriptions

	Asset management	Compliance & legal	Financial	Natural environment	People	Reputation	Service delivery
<b>Extreme Value</b>	Complete future proofing and/or upgrades to one or more major infrastructure assets.  Provision of new major asset with high community demand.	Full compliance achieved across Council.	Opportunity of more than \$5M  Increase in budget more than 20%	Significant increase to natural areas and ecosystem health; Extensive increase in support to community for living sustainably.	Safe work practices.  Attraction of large numbers of key management level staff with key skills, knowledge and expertise	Greater than 50% of media stories are positive for a period of up to 30 days or more	Full service or business performance efficiencies gained > 1 month workload gained
<b>High Value</b>	Significant future proofing and/or upgrades to one or more major asset and/or multiple minor assets.  Provision of new major or minor assets with high community demand.	Majority of compliance achieved across Council.	Opportunity of \$1M to \$5M  Increase in budget of 15% to 20%	Major increase to natural areas and ecosystem health; Extensive increase in support to community for living sustainably.	Major increase in safe work practices.  Attraction of key staff and with knowledge and expertise.	Greater than 50% of media stories are positive for a period of up to 30 days	Full service or business performance efficiencies gained > 2 weeks workload gained

	Asset management	Compliance & legal	Financial	Natural environment	People	Reputation	Service delivery
<b>Moderate Value</b>	Substantial future proofing and/or upgrades to multiple minor assets.  New minor asset with high community demand.	Moderate compliance obligations required.	Opportunity \$250K to \$1M  Increase in budget of 5% to 15%	Significant increase to natural areas and ecosystem health; Extensive increase in support to community for living sustainably.	Moderate increase in safe work practices.  Attraction of a key staff role with key skills, knowledge and expertise	20-50% of media stories are positive for a period of up to 14 days	Full service or business performance efficiencies gained > 2 days workload gained
<b>Minor Value</b>	Minor future proofing and/or upgrades to multiple minor assets.  Provision of minor assets.  Existing assets with high community demand.	Some compliance obligations required.	Opportunity \$100K to \$250K  Increase in budget of 2% to 5%	Some increase to natural areas and ecosystem health; Extensive increase in support to community for living sustainably.	Minor increase in safe work practices.  Attraction of skills, knowledge and expertise	10-20% of media stories are positive for a period of up to 7 day	Part service or business performance efficiencies gained, limited workload gained (days)
<b>Negligible Value</b>	Ongoing regular management of assets.  Existing assets more or less meeting community demand.	Minor compliance obligations required.	Opportunity cost of less than \$50K  Increase in budget by less than 2%.	Minor increase to natural areas and ecosystem health; Extensive increase in support to community for living sustainably.	An increase in safe work practices.  Retention of current staff	Less than 10% of media stories are positive for a period of up to 7 days	Intermittent part service or business performance efficiencies gained, limited workload gained (days/hours)

## Climate change relationship

Key question	Guidance
Are there any physical risks? (Acute or Chronic)	<p><b>Acute risks:</b> are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods.</p> <p><b>Chronic risks:</b> are longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea levels rising or chronic heat waves.</p>
Are there any transitional risks?	<p>These arise from social &amp; economic changes associated with adjusting to the low-carbon economy required by the Victoria's Climate Change Act 2017 and the associated move from fossil fuel energy and related physical assets.</p> <p><b>Policy:</b> Disruption from policy changes to limit actions contributing to climate change (e.g. introducing carbon pricing to reduce greenhouse gas emissions) or promote adaptation.</p> <p><b>Legal:</b> Litigation (e.g. failure to mitigate climate change impacts, to adapt, or adequately disclose risks).</p> <p><b>Technology:</b> Disruption transitioning to low-carbon economy from technological changes (e.g. shifting to electric vehicles and distributed energy systems).</p> <p><b>Market:</b> Changes in the prices or availability of commodities, products and services (e.g. high-carbon products).</p> <p><b>Reputation:</b> Changes to customer or community perception of your organisation. Expect increasing public and media scrutiny of your contribution to the transition to a low-carbon economy and any high-carbon activities.</p>

# Risk and opportunity risk matrix

		Opportunity					Risk				
Likelihood	Almost Certain	Dark Blue	Blue	Light Blue	Very Light Blue	Lightest Blue	Yellow	Orange	Dark Orange	Red	Dark Red
	Likely	Dark Blue	Blue	Light Blue	Very Light Blue	Lightest Blue	Yellow	Yellow	Orange	Dark Orange	Red
	Possible	Blue	Light Blue	Very Light Blue	Lightest Blue	Lightest Blue	Green	Yellow	Yellow	Orange	Dark Orange
	Unlikely	Blue	Light Blue	Very Light Blue	Lightest Blue	Lightest Blue	Green	Green	Yellow	Yellow	Orange
	Rare	Lightest Blue	Very Light Blue	Lightest Blue	Lightest Blue	Lightest Blue	Green	Green	Green	Yellow	Yellow
		Extreme Value	High Value	Moderate Value	Minor Value	Negligible Value	Negligible	Minor	Moderate	Major	Extreme
		Consequences									

**Appendix 2. Stakeholder engagement template**

**Stakeholder List for <Network Name>**

Name		Contact Details		Role	Organisation	Stakeholder Category	<Field Name>	<Field Name>	<Field Name>
First	Last	Phone #	Email address						







# Appendix 5. Risk Register

## Risk Register Template

Risk #	Risk Owner	Risk Name	Describe the event	Cause	Consequence	How are we controlling the cause or the consequence?	Control Owner	Control Effectiveness (See Control effectiveness tab)	Risk Assessment Considering all <b>EXISTING</b> controls) Consequences (see risk category and consequence description tab - Select category only)										Treatment/Action	Treatment/Action Owner	Planned Completion Date	Action Item status	Last review date	Next review date	Progress	
									Likelihood	Category							Risk Rating (see risk matrix tab)	Target risk rating								What is the risk to the community? Are additional treatments required?
										Financial	Service delivery	Reputation	People	Health and safety	Legal and compliance	Other										
1																										
2																										

